ARMO BioSciences Raises $67 Million in a Series C-1 Financing

Financing from New and Existing Investors Follows Encouraging Clinical Data Announced for Lead Product Candidate, AM0010, in Several Cancer Indications

REDWOOD CITY, Calif., August 29, 2017 – ARMO BioSciences, Inc., a late-stage immuno-oncology company, today announced the successful completion of a $67 million Series C-1 private financing led by new investor Qiming Venture Partners. Additional new investors Decheng Capital, Sequoia Capital, Quan Capital and RTW Investments also participated in the financing, along with existing investors Kleiner Perkins (KP), OrbiMed, DAG Ventures, NanoDimension, HBM Healthcare Investments, GV (formerly Google Ventures), Celgene Corporation, and certain private investment funds advised by Clough Capital Partners L.P. In conjunction with the financing, Stella Xu, Ph.D. of Quan Capital and Min Cui, Ph.D. of Decheng Capital have joined ARMO's board of directors.

The Series C-1 proceeds will be used to initiate phase 2/3 studies with ARMO's lead immunotherapy agent AM0010 in non-small cell lung cancer and renal cell cancer and to support an ongoing pivotal phase 3 clinical trial in advanced pancreatic cancer. The proceeds will also support the further development of ARMO's pipeline of additional immunotherapy product candidates that include monoclonal antibodies directed against checkpoint inhibitors. ARMO's proprietary anti-PD-1 monoclonal antibody is on track to enter the clinic in 2018 and its anti-LAG-3 monoclonal antibody is advancing in preclinical development.

In June of this year, ARMO presented encouraging data from ongoing Phase 1b studies of AM0010 in pancreatic cancer, non-small cell lung cancer, renal cell cancer, melanoma and colorectal cancer at the ASCO 2017 Annual Meeting in Chicago. The presentations highlighted the promising therapeutic activity of AM0010 in cancer patients based on clinical response rates and survival benefit. AM0010 is a first-in-class pegylated human recombinant interleukin 10 that selectively activates tumor-directed cytotoxic CD8+ T cells in patients.

"In this ever-changing field of immuno-oncology, the combination of AM0010 with standard-of-care chemotherapy or with checkpoint inhibitors may offer novel and competitive treatment options to patients with several types of difficult-to-treat advanced solid tumors," said Peter Van Vlasselaer, Ph.D., President and Chief Executive Officer of ARMO. "AM0010's therapeutic potential, observed in our extensive phase 1/1b study with more than 350 advanced cancer patients, garnered strong support from our existing and several new investors. This was an over-subscribed financing that allows us to further develop ARMO's pipeline of immuno-oncology agents and to continue our mission to make a lasting change in the lives of cancer patients."

About AM0010 Immunotherapy

AM0010 (pegilodecakin) is a long-acting pegylated form of recombinant human Interleukin-10 (IL-10). In a large phase 1/1b clinical trial, AM0010 was dosed in more than 350 advanced cancer patients and

showed a good safety/tolerability profile and sustained anti-tumor effects in patients across different cancer types. Due to its enhanced half-life, AM0010 has strong immune-stimulating effects that induce the activation, proliferation, and survival of intra-tumoral, tumor-reactive, cytotoxic CD8+ T cells in patients. CD8+ T cells mediate the cancer cytotoxic effect of this immuno-oncology agent.

The U.S. Food and Drug Administration (FDA) and the European Commission (EC) have granted AM0010 Orphan Drug designation for the treatment of pancreatic cancer. The FDA also granted Fast Track designation for AM0010 in combination with FOLFOX as second-line therapy in patients with pancreatic cancer.

About the Phase 3 Trial of Immunotherapy AM0010 for Advanced Pancreatic Cancer
ARMO is conducting an international phase 3 randomized clinical trial evaluating AM0010 in combination with FOLFOX (folinic acid, 5-fluorouracil and oxaliplatin) versus FOLFOX alone, as second-line therapy in patients with pancreatic ductal adenocarcinoma that has progressed during or following a first-line gemcitabine-containing regimen. The study expects to enroll approximately 566 patients and will evaluate overall survival as the primary endpoint. Progression-free survival, overall response rate and safety are the secondary endpoints. Exploratory endpoints will evaluate biomarkers that may correlate with tumor response, immune activation and relationships to clinical efficacy outcomes.
For more information about the clinical trial, please visit www.clinicaltrials.gov and use identifier NCT02923921.

About ARMO BioSciences
ARMO BioSciences is a late-stage immuno-oncology company that is developing a pipeline of novel, proprietary products that activate the immune system of cancer patients to recognize and eradicate tumors. The Company's lead product candidate, AM0010 (pegilodecakin), stimulates the survival, expansion and killing (cytotoxic) potential of a particular type of white blood cell in the immune system called CD8+ T cells. CD8+ T cells recognize and kill cancer cells and an increased presence of intra-tumoral CD8+ T cells may result in improved prognosis and survival in patients.

In addition, ARMO is developing a robust immuno-oncology pipeline that includes validated product candidates such as an anti-PD-1 monoclonal antibody, aimed at treating a variety of cancers in combination with standard of care treatments and emerging immunotherapies.

For more information, please visit www.armobio.com.

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